

PART IV. THE FUTURE

CHAPTER 31

EVOLUTION INSTEAD OF REVOLUTION

“The eventual victory of liberty is inevitable because only liberty is functional for modern man.”

Murray Rothbard

Economist and Philosopher

What the future will actually bring is uncertain, but it lies in our hands. Neither “more politics” nor “more religion” are suitable solutions for a harmonious coexistence. If people have to be careful about every word or action, if they have to ask for permission for everything, they will hardly be a source of innovation or problem-solving. And the more restrictive the rules are, the more those who have failed will try to compensate for their deficits by denouncing rule-breakers and insisting on their strict observance. This gives them the power they cannot achieve through their own efforts. That is why hypocrisy, denunciation, and economic decline are the main characteristics of such societies.

Ultimately, all systems that do not allow the individual to organize their life according to their own values lead to a small group imposing its will on everyone else, always in the name of a greater good, a god, or the common welfare. However, this will eventually no longer be acceptable to others. Because ultimately, a self-determined life in peace and prosperity is what most people desire. They will continue to look for alternatives until these goals are somehow achieved.

Free Cities have the potential to become a real alternative to existing orders or to overcome them in the sense of “creative destruction” (Schumpeter) without overthrowing them. Evolutionary changes are always preferable to violent revolutions. Every revolution¹ eventually devours its children, and every revolution so far has simply replaced one group of privileged people with another.

Once several Free Cities are spread around the world, this will put considerable pressure on existing states to change their systems towards more freedom if they do not want to lose their most productive citizens. This is precisely the positive effect of competition that has been lacking in the state market until now. Today, people can already choose between countless products offered, choose between a wide variety of insurance policies for all areas of life, and constantly receive new technical products. Why should they opt to maintain a coercive solution that is expensive and dysfunctional in the area of coexistence, probably the most important market of all?

The need to make a profit without the possibility of dictating prices or forcing others to buy their own services gives Free Cities the right incentives, namely the optimal use of resources and the best possible response to the needs of customers. These incentives are lacking in state-organized processes. This can be observed, for example, in healthcare, schools and universities, and most recently in energy supply. Such misguided incentives lead to undesirable developments, and after a short time, people have figured out how these systems can be exploited to the fullest without providing adequate compensation. Others discover how to take shelter in these organizations without actually working. Still

others discover how to finance their own interests and projects unrelated to the original purpose of the organization. All state reform efforts, the creation of independent commissions, legal changes, and so on can, at best, alleviate the symptoms. The design flaw lies in the incentive structure. For this very reason, in the long run, state control cannot compete with the private sector.

If we transfer this observation now to the largest of all conceivable companies, the state, then it becomes clear how much untapped potential exists to provide the same services in a better and cheaper way. Since voluntary demand only arises for products that are actually desired, this will at the same time bring about a considerable improvement in the “supply of functional societies” in the coexistence market.

The free cities of the Middle Ages were havens from the absolute rule of monarchs, but they were eventually accepted by them due to their positive economic impact. The Free Cities of the 21st century will be havens from the paternalism and exploitation of our governments. They will eventually be tolerated by them for the same economic reasons. This is because the need for money by those in power tends always towards infinity. City air makes you free, soon again.

DIVERSITY INSTEAD OF UNIFORMITY

Therefore, it is not too risky to predict that Free Cities or comparable communities will inevitably emerge, offering security and allowing people to live independently, in freedom and self-determination. On the one hand, a permanently high standard of living will only be possible when economic and individual freedoms are guaranteed. On the other hand, most people will simply be happier if they can be who they want to be.

But would people be happier? Happiness lies in the perception of the individual. Happy is he who feels happy. A poor person in a dangerous environment can often be much happier than a rich person in a safe luxury resort. Or vice versa. But whoever cannot be who they want to be will probably be unhappy, no matter in what circumstances they live. The Free City is an operating system that allows the individual to realize their idea of happiness or, speaking less dramatically, to live their life the way they want. Like all operating systems, Free Cities will evolve over time. They will adapt to customer demands and take on different types of appearance, even beyond the models presented here. It is likely that some of the ideas proposed in this book will prove impractical and be replaced by others. Precisely because we cannot know which system is evolutionarily the best, we must allow diversity and competition. A wide variety of communities is conceivable and legitimate, as long as participation in them is voluntary. Forms of coexistence are successful, regardless of the form of government, if and when people want to belong to them of their own free will.

As long as Free Cities offer people an improvement in their well-being or at least adequate conditions to achieve this goal, they will be in demand. If free cities yield returns, more and more competitors will enter this market. This will ultimately lower profit margins, as in other markets. It is likely that contributions and charges to be paid will decrease over time without impairing the quality of services. And, as in other markets for goods and services, the person who offers an attractive product to the masses earns the most money, not the luxury and niche provider.

Since people are different, the establishment of a system that pleases a group of like-minded or similar people will make those who think and feel differently uncomfortable with it. This is another reason why it is necessary to have a variety of offers available. This does not mean that some offers do not work better and are more successful than others. However, we can observe in the markets for goods and services that there are many niche providers for special wishes and interests, even if the overwhelming majority is covered by the large providers. This implies giving people the freedom to make a bad choice that can be harmful to themselves. In the market for goods and services, we have no problem with this, so why not grant freedom of choice in the coexistence market?

It is precisely the opportunity to have different experiences and learn from mistakes that ensures that, over time, we will sharpen our senses, develop a fundamental understanding of human interaction, and ultimately increase the quality of social systems on a broad front. No one has the right to judge how their fellow human beings would like to live together. This ultimately leads to the recognition of private autonomy as a guiding principle, instead of a supposedly objective common good. As a Sovereign of Oneself, everyone determines their own life and not the leadership of the collective. The seasteading movement shares a similar idea:

In the seasteading worldview, any set of rules is acceptable as long as residents agree to them voluntarily and can leave when they want. We believe that citizens should join a society by informed consent in an explicit social contract, and should have the freedom to leave if they no longer believe the society is

serving them. As long as these conditions persist, the details of that contract are not our concern.⁴¹⁸

After accepting that people and their preferences are different, the motto can only be live and let live. This includes defensive action against those who reject this principle. This should be sufficient to create a world of peace and freedom. Moral teachings that demand a kind of superhuman who is not even allowed to drink a glass of red wine are dispensable.

The willingness to give others their freedom is also a step towards personal well-being and balance. Another is the recognition of being the product of one's own decisions, not a victim of any circumstances. Everyone has some kind of limitation—let's make the best of it!

None of the numerous and dreadful predictions about the imminent end of the world, which have accompanied humanity since the beginning, have come true so far. But they have always been used as a justification to restrict self-determination and exercise power over others. The damage done so far by well-intentioned attempts to avert the imminent catastrophe has always been greater than the damage caused by the alleged or real danger. There is no reason why this should be different in the future. Even if a meteorite were coming towards Earth and threatened to cause serious damage, it would not be necessary to install a world government. Voluntary associations of people are sufficient and probably even more suitable for solving problems of a global nature. Private initiatives have shown that even important tasks, such as the decoding of the human genome or space travel, can be carried out by non-governmental agencies.

Ultimately, it will be the market, not politicians, intellectuals, journalists, or the current mainstream view that will decide whether Free Cities become a success, because the housing of the future will be the adoptive home. People are much more mobile than before, and ties to a fixed place, country, or region have weakened for various reasons. The growing global network of contacts ensures that new knowledge spreads faster than before. This includes knowledge about alternatives. If a state refuses to match these alternatives, emigration occurs. Increasing emigration, in turn, increases internal pressure to make changes. That is why Free Cities really have the potential to change the world, even if they remain niche products for a long time.

A FUTURE SCENARIO

This is what a world where Free Cities were common would look like:

Instead of one world government, there are over 2,000 different systems that vary significantly from each other but share one thing in common: participation is voluntary. Numerous communities are operated by private companies, along with cooperative models, direct and indirect democracies, as well as various hybrids. Most communities are culturally, ideologically, or ethnically homogeneous. It is common to try out different systems in the early years before deciding on one. Most social orders grant their residents substantial freedoms, particularly in economic matters, as well as personal freedoms. Otherwise, residents would quickly move to a neighboring system, which exists in abundance on all continents. Except for a few strictly religious communities, the global consensus is that all adults have the right to a self-determined life.

Three private currencies are widely used worldwide: one backed by gold and two cryptocurrencies. In addition, there are numerous local currencies. Since interest rates and currencies can no longer be manipulated by central banks and governments, wealth creation, such as for retirement, is predictable and achievable. Due to advances in productivity, purchasing power is constantly increasing, and deflation is a normal part of these societies. Systems that arbitrarily increased taxes or constantly changed the rules have disappeared from the market over time. Widespread free trade ensures that production takes place where it is most profitable. This has greatly reduced overall costs. Even systems that did not adhere to free trade benefit from these productivity advances. All goods and services continuously improve in quality and become more affordable. Innovations are not hampered in many systems, so they are ubiquitous. Thus, even those who earn less enjoy a respectable standard of living. Many people retire around the age of 40, especially since the cost of living has decreased considerably overall. Usually, only one parent needs to work, allowing the other to take care of the children. Elder care is affordable because labor can be sourced worldwide. In principle, anyone can apply for work worldwide, although not all systems accept all people. Since only a few systems have job protection rules, people quickly find new jobs, and it is quite common to quit if one is not satisfied with the job or the supervisors, even if a new position has not yet been secured.

Interference in the lives of others, paternalistic and know-it-all attitudes have become rare. People have become self-confident and mindful because they are primarily responsible for their own affairs and cannot outsource them to a collective, the government,

or “society.” Institutional politics only exists as a vestige in the form of foreign policy between systems.

Wars and conflicts have become rare because affected systems suffer immediate emigration, which drives them to the brink of insolvency. Although new totalitarian ideologies or religions occasionally arise, such as the Knights of Equality or the Gaia Rules movement, they manage to take control of a few systems. However, to the disillusionment of their mostly young, virtuous heroes, economic success and social attractiveness are regularly so low that they quickly disappear. When they become militarily active, neighboring systems often quickly form an ad hoc coalition. Most people are aware that they must defend their freedom and self-determination forcefully if necessary. Related systems are often organized into alliances. Within the systems, revolutionaries and criminals are expelled and, if no one wants them, placed in special zones, for which a market has meanwhile also emerged.

A DISRUPTIVE BUSINESS IDEA

The initial steps in Honduras and, hopefully, soon elsewhere ensure that the younger generation is already growing up with these models. It may take three generations until the potential of Free Cities is truly recognized and established. But there are good reasons why this will eventually happen:

Free Cities are not a utopia, but rather a business idea with already known functional elements (contractually agreed provision of services) and simply applied to a different area, namely coexistence.

We live in an increasingly interconnected world where many people can work from home for clients in various countries. Cryptocurrencies and decentralized finance are on the rise. In such a world, it becomes increasingly difficult for nation-states to impose taxes and social charges on all possible activities. For this reason alone, the fee system of Free Cities is the most promising option for the future.

It is possible to build successful parallel structures independent of nation-states and powerful international organizations: Bitcoin is proof of this. Parallel structures in the realm of coexistence are also sought after. This is because people do not want to submit to rules and regulations they have not agreed to. People do not want to pay for things they have not ordered. Sensible people do not need hundreds or thousands of laws to live together peacefully. Instead, people need a safe space where they can live and collaborate with other people but otherwise be left alone.

Free Cities can satisfy these desires. Existing political systems cannot. For this reason, Free Cities have a chance of success.

Because in the end, people go where they are treated best.

CHAPTER 32

DEVELOPMENT OF FREE CITIES

“The best societies that flourish in 2050 will not adhere to the ideologies of today.”

Joe Quirk

Seavangelist

Free Cities are operating systems within which society can develop in an open-ended manner. Operators, on the other hand, will focus their offerings to meet demand. It is therefore possible that over time, social orders will develop that do not correspond at all to what today's "progressive" thinkers envision for the future. But there will probably be a wide variety of different models. Perhaps Free Cities will only be niche products in the future because the states themselves have transformed into service providers. Perhaps Free Cities will become the main model in which the majority of the world's population will live. If states fail, Free Cities could completely break away from them and become independent subjects of international law that also confer citizenship.

But individuals also want more sovereignty. Perhaps there will be residential modules in the future that can be transported by air at low cost using drone technology. Each contracting citizen could then easily switch providers without the financial cost of leaving their old domicile, selling residential property, and the like. This would be in line with the original idea of Seasteading, according to which, if dissatisfied with the respective social order, residents could disconnect their floating housing platform and move to another floating city.⁴¹⁹ This would further increase the competitive pressure on the city operator to offer a good product. It is possible that all citizens who wanted to do so would have a visible reputation account that automatically authorized them to stay in connected free cities when they reached a certain number of points. Perhaps insurance companies will guarantee the safety of each individual, regardless of where they live.⁴²⁰

It is possible to modify Free Cities to cater to target groups and design the city as an anarcho-capitalist order or as a smart eco-city with total electronic monitoring and behavior control;⁴²¹ even kibbutz-like societies without private property are conceivable. Anything can happen as long as participation is voluntary and no attempt is made to dictate any conditions in other communities. The market will ultimately show which scope of services is ideal and most in demand. Free Cities are ready to face competition. Systems that do not want this to happen obviously have something to hide. Perhaps the fact that privileged groups enrich themselves at the expense of everyone else?

THE TRANSFORMATION OF EXISTING CITIES AND MUNICIPALITIES

States that demand more and more taxes and pass harsher laws but at the same time offer their citizens less and less security will at some point encounter resistance. Especially high-tax countries like Germany—which consciously and deliberately expose their citizens to so-called *Intensivtäter* (multiple offenders)—have no future in this form. Countermeasures are easier to organize at the local level. For example, the citizens of existing communities can decide to live together in the model of Free Cities. For this purpose, they either call in an operating company from outside or create their own cooperative, which belongs to everyone but nevertheless concludes a Citizen Contract with each individual. An agreement is reached with the current state on the future relationship with the national administrative structure, or independence is declared, the mother country offers adequate compensation, and the city becomes free.

It is possible that international competitions will arise in which newly created Free Cities will compete with alternative models

designed by famous economists and intellectuals. They would be populated by volunteers, and the world would be watching. Concepts that have been discussed in the literature for decades but have so far lacked the practical test could quickly fail.

A NEW HANSEATIC LEAGUE

Successful systems are expanding. When Free Cities are successfully established, they will multiply. It is obvious that these cities would then work together based on their common structure and values, for example, by agreeing to establish free trade zones, facilitating immigration, or mutual assistance in crisis situations. The development towards a new Hanseatic League could follow, up to the maintenance of common institutions such as high courts and defense institutions. The old Hanseatic League did not interfere in the internal affairs of its member cities, nor did it question the sovereignty of the territorial powers to which the respective cities belonged.⁴²² In this respect, Free Cities are virtually predestined for the revival of the Hanseatic concept.⁴²³

SOVEREIGN CITIZENS

Free Cities are places for people who want to be sovereign over themselves. An extension of this idea is a corresponding service provider that offers its clients a worldwide service covering areas previously handled by states, such as consular support abroad, assistance in matters involving foreign state authorities, negotiating agreements for visa-free travel, acquiring second passports through Citizenship by Investment programs of interested host countries, and so on. A network of free cities operated by interconnected companies is suitable for providing these services to their citizens. Today, there are global health insurance plans; why not also insurance that protects me, as a

sovereign individual, from arbitrary actions by foreign governments? For an additional premium, I could have access to lawyers, detectives, and security firms, possibly even public relations consultants, in case I get caught up in the legal system of another country. The network of Free Cities would also provide me with its own banking system and the opportunity to establish businesses in the free cities according to their rules. Once admitted as a citizen in a Free City, my relocation to cities within the same network would be automatically guaranteed or at least facilitated. Alliances of successful cities could even, if they could not issue their own citizenship, make agreements with other states, such as allowing a residence permit in a Free City to grant visa-free entry, regardless of the holder's nationality. The existing system of nation-states would be supplemented by a kind of decentralized nation, primarily a community of values that does not interfere in the lives of its citizens but offers them maximum protection, both at home and abroad, as a service provider.

ALLIANCES

Purposefully established alliances with other small towns and city-states are also conceivable, just as Singapore and Israel work together on security issues. An alliance of convenience also increases political power, whether vis-à-vis international organizations or the wishes of powerful states and groups of states. It is by no means a foregone conclusion that major local or regional powers could simply annex successful Free Cities or blackmail them militarily. As seen in the development of the city-states of Genoa, Venice, and Singapore, economic power entails, if necessary, military might.

THE PRIVATE ADMINISTRATION OF TERRITORIAL STATES

If cities can be managed privately, why not, as a next step, also territorial states?

Suppose the population of a West African country is tired of the corruption and kleptocracy of its political class. A movement has emerged that is calling for a referendum to hand over the administration of the entire country to a Free Cities operating company for ten years. The parties in favor of the referendum receive an overwhelming majority in the elections. A transitional government initiates negotiations with the various operating companies and holds a referendum after a decision has been made in favor of one operator. A year and a half later, the West African country is the first privately administered state in the world.

It is possible to imagine how this story could unfold. Successful products speak for themselves. Free Cities are the beginning of a development that could change the entire world.

TECHNOLOGICAL PROGRESS

Innovation and technological progress should proliferate particularly well in Free Cities. As a result, over time, their competitive advantage will only increase. And as long as there is an unfulfilled yearning on this earth, we will not run out of work. Higher productivity—combined with the non-inflationary environment of Free Cities—therefore ensures that the amount of work needed to earn a living is constantly decreasing. In the future, one might only have to work one day a month to meet basic needs and another three days to satisfy other desires. A “universal” basic income, forcibly taken from those who have sufficient means, would not be necessary.

Blockchain and other technologies increasingly allow people to communicate directly with each other without the intervention¹ of expensive intermediaries. They also make it possible to live outside of state paternalism, even externally to Free Cities. The more state-independent cryptocurrencies and private governance service providers establish themselves, the more evident it becomes how superfluous statesmen, central bankers, and other guardians really are, despite their claims to the contrary.

Advancement through change, both socially and technologically, is accelerated by Free Cities because the numerous political obstacles no longer exist. Trial and error can occur at a higher rate. The difference between Free Cities and conventional systems will therefore increase over time unless the latter adapt. This will allow free systems to defend themselves more easily due to their superior technology, even against much more numerous opponents. Technological progress also improves the defensive capabilities of smaller units. The era of mass armies is finally over, and superior weapons can also give small states a certain security against aggressors. Just think of the Israeli Iron Dome, which can intercept small-sized missiles and projectiles.⁴²⁴ A kind of protective shield, as we know it from science fiction stories, is within our reach. This favors defense and thus the emergence of city-states, as happened in the Middle Ages with their fortified walls.

Energy sources that produce energy in large quantities at low cost also enable de facto independence, even in inhospitable areas. The desalination of seawater at low prices in dry areas becomes just as feasible as the operation of greenhouses in cold regions. And development will continue. New decentralized methods of

energy generation, such as the dual fluid reactor,⁴²⁵ high-speed internet access even in remote regions thanks to Starlink,⁴²⁶ as well as vertical take-off and landing aircraft, will also allow smaller locations to develop autonomously in the future.

Other likely technological advances are enormous and frightening to some: robotic labor, artificial intelligence, transhumanism, and planetary colonization. They will not bring about an apocalypse. And of course, people are free to form or live in communities where such things are prohibited. However, attempts to freeze technological developments at a certain level or to use them selectively will probably not be successful, at least not if the technology offers advantages in the sense of a better and more convenient satisfaction of needs. Why do people in all countries and cultures want to use cell phones today? Because it improves their quality of life, despite the unknown consequences of radiation and the decrease in direct personal contact. Quality of life is always subjective. Let's wait and see what happens if the human aging process can be stopped. For many, this is not desirable. However, slow aging or even overcoming the demise of the human organism may be necessary to reach distant planets.⁴²⁷ Genetic engineering and neuroprosthetics are also only in their infancy. We can only imagine their future potential.

Just as man has striven to reach the farthest corners of the Earth, the poles, the highest peak of the Himalayas, the deepest trench of the ocean floor, he will continue to strive to expand. Man has been to the moon. Next may be the colonization of the seas or the leap to neighboring planets.

Free Cities are a suitable operating system for this as well.

